

## EXHIBIT

### **Carlsbad Tourism and Business Improvement District (CTBID) Annual Report 2011-2012**

**Method of Assessment:** The CTBID includes all hotel businesses located within the CTBID boundaries. The assessment shall be levied on all hotel businesses, existing and future, within the City of Carlsbad based upon a flat fee of \$1.00 per occupied room per night for all transient occupancies as defined in section 3.12.020(7) of the Carlsbad Municipal Code. The amount of assessment shall be separately stated from the amount of the rent and other taxes charged, and each transient shall receive a receipt for payment from the operator. The assessment will be remitted monthly, based on \$1.00 per occupied room per night in revenues for the previous month.

**Assessment Funding Purpose:** To administer marketing and visitor programs to promote the City of Carlsbad as a tourism visitor destination and to fund projects, programs, and activities, including appropriate administrative charges, that benefit hotels within the boundaries of the District.

**2011-12 Work Plan:** Last fiscal year, the CTBID contracted with Carlsbad Convention and Visitors Bureau (dba VisitCarlsbad) to provide tourism marketing services for Carlsbad.

The CTBID 2011-12 budget includes \$744,582 in funding for VisitCarlsbad. The services provided will focus primarily on driving demand in the leisure market segment and secondarily in the meetings market. The majority of this will be done through on-line marketing but they will continue to do some print advertising. Funding also includes managing the visitor center and publications as well as developing visitor profile information. The VisitCarlsbad Board will also review the CTBID grant applications and make funding recommendations to the CTBID Board.

Detail of the 2011-12 budget is shown on the following page.

2011-12 CTBID Budget

Program Areas	Description	2009-10 Actuals	2010-11 Budget	Current 2010-11 Actuals	Projected 2010-11 Actuals	Recommended 2011-12 Budget
Carryover Fund Balance		\$234,638	\$65,353	65,353	65,353	49,199
<u>Revenues:</u>						
CTBID Assessment	\$1 per room night	775,839	800,000	583,732	780,000	780,000
Interest Earnings		-472	1,000	98	98	0
Total Estimated Revenues		775,367	801,000	583,830	780,098	780,000
<u>Expenditures:</u>						
2% Admin. Fee - City	2% of CTBID assessment revenue, for collection of CTBID assessment and accounting for CTBID	15,484	16,500	11,646	16,500	16,500
CCVB Payment	To operate visitor center, market and promote Carlsbad	722,892	746,582	564,790	743,432	744,582*
RR&A Contract	Reint Reinders and Associates Consulting	42,100	0	0	0	0
Staff support	Staff support to the CTBID	16,442	16,500	11,614	16,500	16,500
CTBID Grants	Grant program established by CTBID Board	12,720	20,000	14,000	19,820	20,000
Mindgruve contract	Spring Marketing Campaign	35,168	0	0	0	0
Mindgruve contract	Endless Summer Marketing Campaign	99,846	0	0	0	0
Contingency	To be determined by the CTBID Board at a later date	0	0	0	0	0
Total Expenses		944,652	799,582	602,050	796,252	797,582
Ending Fund Balance	Contingency for Revenue shortfall	\$65,353	\$66,771	\$47,133	49,199	31,617

\* The Carlsbad Convention and Visitors Bureau is the corporate entity. The Bylaws have been changed during 2009 to an organization that now has seven Board members and the dba "Visit Carlsbad".